

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUN 30 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Administration of the
North American Numbering Plan

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CC Docket No. 92-237
Phases One and Two

REPLY COMMENTS OF GTE

GTE Service Corporation, on
behalf of GTE Telephone Operations,
GTE Mobilnet, Inc. and
and Contel Cellular, Inc.

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June 30, 1994

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TABLE OF CONTENTS

DISCUSSION	2
I. PHASE ONE - THE NORTH AMERICAN NUMBERING PLAN ADMINISTRATION.....	2
a. The New World Zone 1 Numbering Organization Should Not Assume Exclusive Control Over All Numbering Issues.....	2
b. Centralization of Central Office Code Administration.	3
c. Funding of the New WZ1 Numbering Organization Must Be Equitable.....	3
d. Selection of the New NANP Administrator Should Be Through the RFP Process.	5
e. Arbitration Could Potentially Undermine the Consensus Process.....	5
II. PHASE TWO - EXPANSION TO FOUR-DIGIT CARRIER IDENTIFICATION CODES	7
a. The Length of the Transition Period to Four-Digit CICs Should be Determined By Reference to the Technical Limitations of the Industry, Not by the Individual Market Concerns of Particular Providers.....	7
b. There Should be No "Grandfathering" of Three-Digit CICs.....	9
c. The LECs Should Not be Made Responsible for Providing Information On Four-Digit CICs to IXC Customers.	10
III. THE COMMISSION SHOULD NOT REQUIRE LECS TO FORWARD INTERSTATE INTRALATA CALLS.....	10

SUMMARY

GTE agrees with the industry that the North American Numbering Plan ("NANP") must continue to encompass all of the World Zone 1 ("WZ1") countries and that the formation of a WZ1 Numbering Organization would be beneficial. Further, GTE believes that the Alliance for Telecommunications Industry Solutions, which has expressed its willingness to sponsor such an organization, could effectively assume the role and add value to the new organization.

GTE believes that it would be inappropriate to indiscriminately forward all numbering issues to the new WZ1 Numbering Organization. Standards issues could not be forwarded because the new organization would not be accredited or recognized by authorized standards organizations. Certain other numbering issues will merit individual review to determine whether they are appropriate for forwarding.

Should the assignment of Central Office Codes become centralized, GTE agrees that the function should be phased in over time so as to allow the new NANP Administrator as much time as possible to prepare for the task. With respect to funding, GTE is opposed to fees being assessed only on the embedded base of numbers. Such a scheme would be inequitable and would ignore universal service and carrier of last resort obligations. Any scheme patterned after the Telecommunications Relay Services funding mechanism would have to be based on total, not just interstate, revenues. In selecting a new NANP Administrator, a number of parties agree with GTE that a Request for Proposal process should be used.

GTE opposes arbitration as a way to resolve issues that cannot garner a consensus on the grounds that such a procedure, which would be based on ability to pay, would be inequitable and could ultimately undermine the consensus process itself.

In establishing a transition period for the move to four-digit Carrier Identification Codes ("CICs"), GTE urges the Commission to focus on the technical limitations of the public switched network and not the individual market concerns of particular providers. The industry has been aware of the intended move to four-digit CICs since 1988 and, thus, should not need an additional six to twelve years to prepare. The transition must end when all the "5XXX" and "6XXX" series of CICs have been assigned. GTE believes that this could be accomplished within 18-24 months.

GTE is opposed to any "grandfathering" of three-digit CICs on the grounds that it would trample any notion of dialing parity and is not technically feasible. GTE also opposes any proposal that the local exchange carriers be made responsible for notifying the customers of interexchange carriers regarding the use of four-digit CICs.

GTE reiterates its position that interstate intraLATA competition should be addressed in the context of an overall assessment of competition in the industry, specifically the entry of GTE and the Bell Operating Companies into the interLATA market. Finally, GTE submits that those parties suggesting that a two-PIC (primary interexchange carrier) system is technologically possible and relatively inexpensive are simply wrong.

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REPLY COMMENTS OF GTE

GTE Service Corporation, on behalf of GTE Telephone Operations, GTE Mobilnet, Inc. and Contel Cellular, Inc. (collectively, "GTE"), hereby submits its Reply Comments in response to the comments of other parties¹ filed in connection with the Commission's Notice of Proposed Rulemaking ("NPRM"), FCC 94-79, released April 4, 1994, in the above-referenced proceeding.

GTE agrees with the industry that the North American Numbering Plan ("NANP") must continue to encompass all of the World Zone 1 countries and that the formation of a World Zone 1 Numbering Organization would be beneficial. Further, GTE believes that the Alliance for Telecommunications Industry Solutions ("ATIS"), which has expressed its willingness to sponsor such an

¹ The names of other commenters referenced herein have been abbreviated. Their full names appear in Attachment A.

organization,² could effectively assume the role and would add value to the new organization. In these comments, GTE addresses issues that the Commission must resolve if the new organization is to be effective. In addition, GTE urges the Commission to focus on the technical limitations of the network and not the individual market concerns of providers when establishing a time period for the transition to four-digit Carrier Identification Codes ("CICs").

DISCUSSION

I. PHASE ONE - THE NORTH AMERICAN NUMBERING PLAN ADMINISTRATION

a. The New World Zone 1 Numbering Organization Should Not Assume Exclusive Control Over All Numbering Issues.

Some commenters have suggested that all numbering issues be forwarded to the new World Zone 1 ("WZ1") Numbering Organization. Although GTE supports the general goal of concentrating the appropriate numbering issues with the new WZ1 Numbering Organization, GTE believes that it would be inappropriate to indiscriminately forward all numbering issues to it. Because the new WZ1 Numbering Organization would not be accredited by the American National Standards Institute ("ANSI") or recognized by the Telecommunications Standardization Sector of the International Telecommunication Union ("ITU-T"),³

² Comments of ATIS at 1.

³ The ITU-T has assumed the functions previously performed by the Consultative Committee for International Telephone and Telegraph ("CCITT").

it would not be appropriate for the new organization to take the lead on domestic or international standards issues. Accordingly, these standards issues would have to remain with the forums presently handling them.

Certain other numbering issues will merit individual review to determine whether they have any unique characteristics that would warrant them staying with the forum or organization currently handling them. Should the impropriety of transferring an issue be disputed, the members/participants of the forum/organization currently working that issue should be allowed to make their case directly to the WZ1 Numbering Organization.

b. Centralization of Central Office Code Administration.

The concerns raised by GTE regarding the centralization of Central Office Code administration have been echoed and, in some cases, expanded upon by other commenters.⁴ Should this function ultimately become centralized, GTE agrees with the suggestion of a number of commenters that the function be phased in over time so as to allow the new NANP Administrator as much time as possible to prepare for the task.⁵

⁴ See e.g., Comments of Ameritech at 5; Bell Atlantic at 2-4; Bellcore at 6; BellSouth at 10; CBT at 3; Pacific at 6; SWBT at 10-11.

⁵ See Comments of Bell Atlantic at 4; US West at 10; Sprint at n.5.

**c. Funding of the New WZ1 Numbering Organization
 Must Be Equitable.**

In its Comments on funding, GTE stressed the importance of establishing a mandatory contribution system that is both sufficient to cover all costs of the new WZ1 Numbering Organization and equitable for all participants. GTE proposed that a two-tier approach be adopted in which recurring administrative costs would be shouldered equally by all participants while non-recurring costs associated with specially requested tasks would be paid for by those requesting them. Other commenters have proposed systems with similar characteristics.⁶

GTE is opposed to any proposal that fees be assessed only on the embedded base of numbers.⁷ Such a system would be inequitable because numbers are the means by which all users of the public switched network reach each other. In addition, as Bell Atlantic notes, this type of assessment ignores universal service and carrier of last resort obligations and would place an undue burden on the Local Exchange Carriers ("LECs").⁸

Further, any system of funding cannot be modeled directly after the Telecommunications Relay Services ("TRS") funding mechanism which is based on interstate revenues. Such a scheme would introduce a significant imbalance

⁶ See e.g., Comments of AirTouch at 5; BellSouth at 12; NYNEX at 12-13; USTA at 9.

⁷ See e.g., Comments of NATA at 7; Nextel at 11-12; TCG at 6; Vanguard at 13.

⁸ See Comments of Bell Atlantic at 6.

in the funding of the WZ1 Numbering Organization as many parties using or benefiting from numbering resources have little, if any, interstate revenues. If the Commission chooses a TRS-like funding mechanism, it would have to be based on total revenues for the fee to be equitable. GTE urges the Commission to establish a funding mechanism based on the manner in which costs will be generated in the future, not on how they have been generated in the past.

d. Selection of the New NANP Administrator Should Be Through the RFP Process.

In its Comments⁹ GTE proposed the use of a Request For Proposal ("RFP") as the appropriate method for selecting a new NANP Administrator. A number of commenters addressing the issue also support, in one form or another, the use of an RFP as the method of choice in soliciting candidates qualified to assume the role of the new NANP.¹⁰

e. Arbitration Could Potentially Undermine the Consensus Process.

MCI has suggested that an arbitration procedure be incorporated into the administration of the NANP as a means of resolving disputes.¹¹ Although GTE agrees that a forum for resolving disputes would be beneficial, it believes that

⁹ See Comments of GTE at 9.

¹⁰ See Comments of Ameritech at 8; BellSouth at 6; MCI at 9; NYNEX at 14; Sprint at 6.

¹¹ See Comments of MCI at 10-11.

the proposed arbitration model could undermine the consensus process which has long been the basis for decision-making in industry forums.

Arbitration available to all who could pay for it carries the real potential of being exploited. Industry participants, on seeing that the consensus process is not going their way, could invoke arbitration as a roadblock to a final resolution. Once these participants invoke arbitration, time and resources could then be focused on convincing an arbitrator, rather than a group of industry peers, of the merit of their case. Should this strategy meet with success, requests for arbitration could become as routine as taking notes at committee meetings. Ultimately, with the availability of arbitration, some participants may even forgo a good faith effort at reaching a consensus once it becomes clear that their position will not prevail. The arbitration process would then have been transformed from a forum of last resort into an oft-used tactical ploy. Conversely, participants with important (and legitimate) concerns might not have the resources necessary to finance arbitration. On the whole, such an arbitration procedure would be inherently inequitable.

Moreover, the arbitration process could result in previously rejected minority positions being adopted by the arbitrator. The impact this could have on the continued viability of the new WZ1 Numbering Organization as a whole could be considerable. And this is to say nothing of the prospect of having an

arbitrator (or arbitrators) wielding exclusive control over issues that could have lasting (and possibly negative) impacts on the entire industry.¹²

II. PHASE TWO - EXPANSION TO FOUR-DIGIT CARRIER IDENTIFICATION CODES

- a. The Length of the Transition Period to Four-Digit CICs Should be Determined By Reference to the Technical Limitations of the Industry, Not by the Individual Market Concerns of Particular Providers.**

GTE agrees with SWBT that this proceeding must focus on the technical limitations of the public switched network and not on the individual marketing concerns of particular providers, which is what parties advocating a lengthy transition period are really concerned about.¹³ The true motive of those seeking an interminable transition period for CIC expansion is clear – to squeeze the maximum dollar return out of previous investments in the three-digit CICs and to maintain a competitive advantage through the use of shorter access codes.¹⁴

APCC asserts that its research indicates that a “very small fraction” of CICs are actually used by humans,¹⁵ and those that are used account for “hundreds of millions of calls annually.”¹⁶ APCC attributes this pointedly

¹² Under MCI’s proposal, the final decision of the arbitrator would only be subject to appeal when the “arbitration process was flawed.” Although it is not clear what this phrase means, it does not appear to be suggesting that a decision could be appealed as a matter of right.

¹³ See Comments of SWBT at 2.

¹⁴ See Comments of AT&T at 8, LCI at 1, Sprint at 14, Vartec at 6.

¹⁵ See Comments of APCC at 4.

¹⁶ Id. at 5.

lopsided use of CICs to "a very large, and recent, investment by IXC's [Interexchange Carriers] in marketing and promotion of 10XXX dialing by end users."¹⁷ From this, APCC concludes that twelve years is needed to allow customers enough time to "become acclimated to the concept of access code dialing" and to "ensure that IXC's, payphone providers, and others have ample opportunity to prepare for the transition."¹⁸ In fact, APCC's research shows just the opposite.

APCC's research highlights the fact that promotional campaigns designed to educate customers regarding the use of CICs are extremely effective. More importantly, the research shows that end users do not need 12 years to understand and use CIC codes. The more intensive the marketing of the new codes by the IXC's, the faster their end users will become "acclimated." And as noted by Bell Atlantic,¹⁹ the industry has been aware of the inevitable move to four-digit CIC codes since 1988.²⁰ All affected parties should have plans in

¹⁷ Id.

¹⁸ Id.

¹⁹ See Comments of Bell Atlantic at 7.

²⁰ AT&T's argument (at 8) that, based on "previous customer buying behavior," it will take more than six-and-a-half years for its PBX customers to have the necessary Customer Premises Equipment ("CPE") in place, misses the point. The length of the transition period should not be determined by how long it will take customers to voluntarily upgrade their CPE in the normal course of business. Procrastination being what it is, it would be more productive to set a date certain. This would force customers to focus on the need to upgrade, thereby making it a priority rather than an expenditure to be put off to the last possible moment.

place by now for the conversion. The LECs have been making network changes since 1988 in anticipation of CIC expansion as other parties should have been doing.

Contrary to assertions²¹ that the LECs can accommodate a lengthy, if not permanent, permissive dialing period, the comments of the LECs directly refute this.²² As GTE and the other LECs have explained, the transition period must end when the "5XXX" and "6XXX" series of four-digit CICs are assigned. If it does not, the technical capabilities of the network will be exhausted. And although no one can forecast with absolute certainty when this will occur, GTE believes that a realistic time frame for the transition period would be 18-24 months after the first four-digit CIC has been assigned.

b. There Should be No "Grandfathering" of Three-Digit CICs.

Some commenters have raised the prospect of "grandfathering" existing three-digit CICs²³ GTE opposes such an option because (1) it would trample any notion of dialing parity for the indefinite future, if not permanently, and (2) as noted by a number of commenters, including Bellcore, a two-tier CIC system is not possible with current technology.²⁴

²¹ See e.g., Vartec at 3.

²² See Comments of Bellcore at 8; NYNEX at 15, Pacific at 11, SWBT at 15; USTA at 10-11; US West at 15.

²³ See Comments of GVNW at 5; LCI at 2.

²⁴ See e.g., Comments of Bellcore at 8; NYNEX at 15; Pacific at 11; SWBT at 14; USTA at 10-11.

c. The LECs Should Not be Made Responsible for Providing Information On Four-Digit CICs to IXC Customers.

One commenter has suggested that the LECs be made responsible for notifying IXC customers regarding the use of four-digit CICs.²⁵ GTE categorically opposes such a requirement. Good business sense dictates that each provider be responsible for educating its own customers on all aspects of the services it provides, not just promotions that are sure to generate revenues. Not only does this foster a more direct relationship between provider and customer, it also provides more certainty that all who need to know will be contacted. It also avoids troublesome issues regarding which entity should pay for the effort and whether IXCs would later be able to claim that they were damaged if a LEC allegedly failed to notify all of the IXC's customers.

III. THE COMMISSION SHOULD NOT REQUIRE LECs TO FORWARD INTERSTATE INTRALATA CALLS

GTE wholeheartedly agrees with the reasoning that now is not the time for the Commission to address interstate intraLATA competition.²⁶ GTE reiterates its position that this issue should be addressed in the context of an overall

²⁵ See Comments of Vartec at 7.

²⁶ See Comments of Ameritech at 9; Bell Atlantic at 8; BellSouth at 17; CHA at 3; GVNW at 6; MoPSC at 2; NYNEX at 18; SWBT at 17.

assessment of competition in the industry, specifically the entry of GTE and the Bell Operating Companies into the interLATA market.²⁷

GTE also disagrees with parties suggesting that a two-PIC system is technologically possible and relatively inexpensive for all LECs.²⁸ First, AT&T's statement²⁹ that its software accommodates two PICs ignores the fact that there are many non-AT&T switches in the network.³⁰ Further, the costs of implementing a two-PIC system are in fact significant.³¹ Contrary to CompTel's contention that there is no evidence of the nature and costs of implementing

²⁷ For reasons of fairness and efficiency, the competitive structure established by the MFJ and GTE's Consent Decree should not be arbitrarily dismantled in a piecemeal fashion.

²⁸ See Comments of Ad Hoc at 14-15; AT&T at n.4; CompTel at 3; MCI at 18; MFS at 6; TRA at 6; Vartec at 7.

²⁹ See Comments of AT&T at 5 n.4.

³⁰ See Comments of CHA at 2; GVNW at 6-7; RHTC/FMTC/LTC at 3.

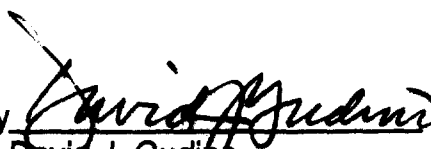
³¹ The MoPSC (at 2) concedes that a two-PIC system is indeed costly.

such a system,³² GTE is on record in several states with its costs of converting to a two PIC system for intraLATA competition.

Respectfully submitted,

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behalf of GTE Telephone Operations,
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and Contel Cellular, Inc.

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See Comments of CompTel at 3.


ATTACHMENT A

ABBREVIATIONS OF COMMENTING PARTIES

Ad Hoc	Ad Hoc Telecommunications Users
AirTouch	AirTouch Communications
Ameritech	Ameritech
APCC	American Public Communications Council
ATIS	Alliance for Telecommunications Industry Solutions
AT&T	AT&T Corp.
Bellcore	Bell Communications Research, Inc.
Bell Atlantic	Bell Atlantic
BellSouth	BellSouth Telecommunications, Inc.
CBT	Cincinnati Bell Telephone
CHA	Cathy, Hutton & Associates, Inc.
CompTel	Competitive Telecommunications Association
GVNW	GVNW Inc./Management
ITAA	Information Technology Association of America
LCI	LCI International Telecom Corp.
MFS	MFS Communications Company, Inc.
MoPSC	Missouri Public Service Commission
NARUC	National Association of Regulatory Utility Commissioners
NATA	North American Telecommunications Association
NECA	National Exchange Carrier Association, Inc.
Nextel	Nextel Communications, Inc.
NYNEX	NYNEX Telephone Companies
MCI	MCI Telecommunications Corporation
Pacific	Pacific Bell and Nevada Bell
RHTC/MTC/LTC	Rock Hill Telephone Company/Fort Mill Telephone Company/Lancaster Telephone Company
Rochester	Rochester Telephone Corporation
SWBT	Southwestern Bell Telephone Company
Sprint	Sprint Corporation
TCG	Teleport Communications Group Inc.
TRA	Telecommunications Resellers Association
USTA	United States Telephone Association
US West	US West Communications, Inc.
Vanguard	Vanguard Cellular Systems, Inc.
Vartec	Vartec Telecom, Inc.

Certificate of Service

I, Judy R. Quinlan, hereby certify that copies of the foregoing "Reply Comments of GTE" have been mailed by first class United States mail, postage prepaid, on the 30th day of June to all parties of record.



Judy R. Quinlan